

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB SCGR 11-01 State Economic Enhancement and Development Trust Fund/Create

SPONSOR(S): Select Committee on Government Reorganization and Aubuchon

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Select Committee on Government Reorganization	15 Y, 5 N	Creamer	Tinker

SUMMARY ANALYSIS

Taken together, PCB SCGR 11-01 and 11-02 create and provide a dedicated source of revenue to the State Economic Enhancement and Development (SEED) Trust Fund to enable Florida to be proactive and better positioned to capitalize on opportunities that will benefit the state from an economic development perspective. The SEED Trust Fund will be used to fund strategic transportation investments, affordable housing, and economic development incentives to attract new businesses to the state and retain existing businesses.

This legislation creates the State Economic Enhancement and Development Trust Fund within the Office of Tourism, Trade, and Economic Development of the Executive Office of the Governor. This trust fund will serve as a depository of rental car surcharges, documentary stamp tax proceeds, and local matching funds.

The SEED Trust Fund is terminated July 1, 2015, unless reenacted by the Legislature.

This bill has an effective date of July 1, 2011, and **requires a three-fifths vote of the membership of each house of the Legislature to take effect.**

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

This bill, together with PCB SCGR 11-02, creates the State Economic Enhancement and Development (SEED) Trust Fund to serve as a dedicated recurring funding source to enable Florida to be proactive and better positioned to capitalize on opportunities that will benefit the state from an economic development perspective.

Infrastructure and economic development programs are generally funded from various trust funds and General Revenue annually through the General Appropriations Act. Florida does not currently have a fund or direct revenue source that can be readily available to respond to economic opportunities that may arise throughout the fiscal year.

This bill creates the State Economic Enhancement and Development (SEED) Trust Fund¹ to be used to fund infrastructure and job creation opportunities in the following program areas:

- Transportation facilities that meet a strategic and essential state interest with respect to the economic development of the state;
- Affordable housing programs and projects in accordance with chapter 420, F.S.;
- Economic development incentives for job creation and capital investment;
- Workforce training associated with locating a new business or expanding an existing business; and
- Tourism promotion and marketing services, functions, and programs.

Revenue sources for the SEED Trust Fund will include documentary stamp tax proceeds, rental car surcharges, and local matching funds for economic development projects.

The bill terminates the SEED Trust Fund on July 1, 2015, unless reenacted by the Legislature.

B. SECTION DIRECTORY:

Section 1. Creates the State Economic Enhancement and Development Trust Fund.

Section 2. Provides an effective date of July 1, 2011, and requires a three-fifths vote of the membership of each house of the Legislature to take effect.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

¹ Article III, section 19(f)(1), of the Florida Constitution, provides that no trust fund of the state or other public body may be created without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require the counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties and municipalities.

2. Other:

Article III, section 19(f)(1), of the Florida Constitution, provides no trust fund of the state or other public body may be created without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On April 1, 2011, the Select Committee on Government Reorganization adopted one amendment. The amendment expands the uses of the Trust Fund to economic development incentives for job creation and capital investment.